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Product Brief

Austrian Market for Vegetables and Vegetable Products

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Report Highlights:
Austrian vegetable production does not meet domestic requirements. Imports come mainly from other EU countries, particularly Germany, Italy, and Spain. There is a niche market for U.S. beans, sweet corn, and early season asparagus.

Includes PSD changes: No
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Austrian Market for Vegetables and Vegetable Products

Summary
Many varieties of the vegetables are produced in Austria but in insufficient quantities. Thus, each year large volumes are imported, particularly from other EU countries. Italy and Spain are the main suppliers of fresh/chilled vegetables and Germany is the most important supplier of processed products. Imports from the U.S. are minor. Due to duties and long shipment routes, U.S. products are less competitive than European and Mediterranean products. However, there is a niche market for some U.S. vegetables such as early season Californian asparagus, sweet corn and beans. The Austrian self-sufficiency in the vegetable sector is 60 - 70 percent. End summary.

A. Domestic Production

Fresh Vegetables
By and large, Austrian vegetable production is concentrated in the same areas as fruit production; in the regions of the Danube valley and in the eastern and south eastern parts of the country. Commercial vegetable production includes around 8,900 ha of field vegetables and 800 ha managed by market gardeners. Because of the large market, the major share of vegetables, particularly gardener vegetables (60%), are grown in the region around Vienna.

Processed Vegetables
In 2000, Austrian processors increased the output value of processed vegetables and fruits (juices not included) to AS 3.628 billion (+7%)(no figure is available on separate vegetable production). In addition, potato products valued AS 1.011 billion (-7% compared to 1999) were produced.

B. Consumption and Market

Per Capita Consumption
Since the mid eighties, the per capita consumption of vegetables has been rising. According to the Austrian Statistical Office, it reached 98.5kg in 1999/2000, up 5% compared to 1998/99. (Figures include vegetables from agricultural production, market gardens, private gardens, processed vegetables, and imports.) Since per capita consumption in several European countries is significantly higher than in Austria, market researchers believe that there is still a considerable potential for domestic consumption increase. In fact, the previous forecast for 1999/2000 was exceeded. The expected per capita consumption of 99.2kg for 2001/02 may climb to 105kg by 2004/5.

Household Consumption
About half of total vegetable consumption by private households is in form of fresh salads followed by "cooked as a main course" (22%), "raw" (20%). Other use categories are "side dish to meat", "pressed to juice", and "other".

The average household spends AS 350 per month for vegetables and AS 330 for fruits equaling 8.8% and 8.3% respectively of total food expenditures.

Retail Trade Turnover

According to a recent survey, the largest retail turnover comes from leaf vegetables (lettuce, cauliflower, cabbage, etc.). Herbs are second, followed by root (carrots etc.) and "fruit vegetables" (cucumbers, tomatoes, etc.).

Table 1: Total Consumption, Per-Capita Consumption and Self Sufficiency in 1999/00

Vegetable Type	Total Consumption in MT	Per Capita Consumption in kg	Self-Sufficiency in %
Champignons & other mushrooms	13,000	1.9	1
Peas	8,400	1.0	89
Cucumbers small	17,900	2.2	77
Cucumbers for salads	34,600	4.3	74
Cauliflower	13,400	1.7	53
Carrots	44,300	5.5	107
Cabbage	34,100	4.2	96
Other cabbage varieties	48,300	6.0	88
Bell pepper & spicy pepper	29,400	3.6	16
Tomatoes	131,800	16.3	14
Red beets	10,300	1.3	78
Head lettuce	59,300	7.3	74
Loose leave lettuce	17,000	2.1	18
Celeriac	14,800	1.8	100
Asparagus	3,700	0.5	32
Spinach	7,400	0.9	87
Onions	72,800	9.0	142
Zucchini	7,400	0.9	38
Melons	22,300	2.8	1
Other vegetables	120,300	14.9	39
Total market production	710,500	87.6	64
Private gardens	85,800	10.6	--

Total vegetables	796,300	98.5	69

Organic Vegetables
Rising doubts about the quality of conventionally produced foods and increasing environmental awareness are prompting consumers to buy organically produced foods. The main purchasers of organic foods are students and young families with high education levels. However, organics are only 2% of total vegetable sales. Relatively large quantities of organic vegetables are imported each year as demand is not met by domestic production. Imports are carried out by wholesalers and supermarket chains and distributed by supermarket chains and health food shops.

Processed Vegetables
Due to eating habits and the large supply, consumption of preserved pickled vegetables is extraordinarily high and estimated at AS1 billion.

In line with the general trend to frozen foods, there is also a distinct trend to frozen vegetables. The largest share of frozen foods account for vegetables and vegetable mixtures (36%) followed by potato products (23%).

Sales have increased for semi-processed vegetables such as cut lettuce mixtures, cut carrots or peeled potatoes, etc. packed in plastic bags.

C. Distribution Channels

The Austrian vegetable market is dominated by supermarket chains, the two largest ones (Billa and Spar) have a market share of around 60%. The significance of farmer markets is small (below 10%) and declining. Special fruit and vegetable shops have never played an important role.

Most goods in supermarkets are centrally purchased and then delivered to regional distribution centers. The uniformity of the shops and prices of the various supermarket chains has resulted in rising product requirements and quality. Purchasers increasingly want products of uniform size and shape.

Most imports are carried out by fruit and vegetable wholesalers that also supply supermarket chains with most imported vegetables. Domestically produced vegetables are purchased directly by supermarket chains. The smaller shops receive practically all imported vegetables through wholesalers.

D. Vegetable Trade and Competition

With vegetables, Austrian self sufficiency is 60 (1999) - 70% (2000). This is considerably lower than that of traditional exporters such as Netherlands and Belgium and the climatically favored southern EU members. Thus, a large share of vegetables is imported primarily from Benelux and

Mediterranean countries. Particularly early and out of season varieties are imported.

Unprocessed Vegetables

After the border opening in the framework of EU accession in 1995, imports of fresh and frozen (but not cut or further processed) vegetable jumped up (+27% by value and +63% by quantity). In the following 3 - 4 years, imports decreased slightly. In 2000, Austrian imports were 307,000 MT, valued AS 3.51 billion (U.S.$ 235 million) (313,000 MT valued AS 3.28 billion (U.S.$ 220 million) in 1999), whereas exports amounted at only 129,000 MT, valued AS 714 Million (U.S.$ 48 million) (117,000 MT, valued AS 688 million (U.S.$ 46 million) in 1999).

Table 2: Vegetable Imports in 2000

Vegetable Type	Volume in 1,000 MT	Value in million AS	Value in million U.S. $
Potatoes	60	186.3	12.5
Pulses without hull	9	65.2	4.4
Beans	4	39.1	2.6
Other pulses	5	26.1	1.7
Tomatoes	45	625.8	41.9
Other Vegetables fresh/chilled	163	2,197.8	147.2
Lattice	40	448.1	30.0
Gherkins	18	215.8	14.5
Mushrooms	10	306.1	20.5
Other	95	1,227.8	82.2
Other Vegetables (roots, etc.)	2	55.4	3.7

Except exotic vegetables, whose imports are small but show growth, all vegetables are grown in Austria; however, in insufficient quantities or only or primarily in the main growing season.

The largest fresh/chilled import post are tomatoes (AS 626 million i.e. U.S.$ 6.2 million) of which the bulk come from Spain (38%), Italy (28%) and Netherlands (11%). The various cabbage varieties (AS 93 million, i.e. U.S.$ 6.2 million) are mainly supplied by Italy (45%) and Spain (27%); cauliflower (AS 48 million, i.e. U.S.$ 3.2 million) by Italy (65%), France (15%), and Germany (15%); lettuce (AS 363, i.e. U.S.$ 24 million) by Italy (45%), Spain (35%), and Germany (12%); Chicory (AS 57 million, i.e. U.S.$ 3.8 million) by Italy (95%); carrots by Italy (62%); cucumbers (AS 198 million, i.e. U.S.$ 13.3 million) by Spain (50%), Greece (20%), Netherlands(9%), and

Bulgaria (6%); beans (AS 30 million, i.e. U.S.$ 2 million) by Spain (40%), Belgium (17%), and Egypt (7%); Asparagus (AS 81 million, i.e. U.S.$ 5.4 million) by Spain (20%), Hungary (16%) and Italy (15%); artichokes(AS 36 million, i.e. U.S. $ 2.4 million) by Netherlands (44%) and Spain (30%); agaricus mushrooms (primarily champignons)(AS 152 million, i.e. U.S.$ 10 million) by Hungary (86%) and Poland (9%); chanterelles (AS 75 million, i.e. U.S.$ 5 million) by Belarus (20%) and Poland (15%); bell peppers (AS 378 million, i.e. U.S.$ 25.3 million) by Spain (50%), Netherlands (25%), and Hungary (10%); zucchini (AS 65 million, i.e. U.S.$ 4.4 million) by Spain (50%) and Italy (45%); and other fresh vegetables (AS 104 million, i.e. U.S.$ 7 million) by Germany (50%), Italy (28%), and Netherlands (9%).

The larger boiled/frozen items come predominantly from the following countries: peas (AS 7 million, i.e. U.S.$ 0.5 million) from Germany (53%); beans (AS 18 million, i.e. U.S.$ 1.2 million) from Germany (38%) and Belgium (20%); sweet corn (AS 26 million, i.e. U.S.$ 1.7 million) from Hungary (53%) and Germany (38%); mushrooms (AS 36 million, i.e. 2.4 million) from Germany (30%) and Netherlands (26%); various vegetables (AS 118 million, i.e. U.S.$ 7.9 million) from Germany (50%), Belgium (13%), Netherlands 10%, and Poland (8%); mixed vegetables (AS 110 million, i.e. U.S.$ 7.4 million) from Germany (62%), Belgium (15%), and Hungary 14%. Further processed and dried products are primarily supplied by the following countries: mushrooms (AS 24 million, i.e. U.S.$ 1.6 million) by Germany (50%) and China (20%); other vegetables and mixtures (AS 84 million, i.e. U.S.$ 5.6 million) by Germany (50%), China (17%), Denmark (7%), Spain (5%), and Egypt (5%). (All trade figures are based on the Austrian foreign trade statistics for 2000.)

While Italy and Spain are by far the most important suppliers for fresh/chilled vegetables, Germany is the strongest exporter of boiled/frozen items to Austria.

Exports of fresh/frozen/dried but unprocessed vegetables account for AS 129 million (U.S.$ 8.6 million), around 20% of imports.

Processed Vegetables

Among imported processed vegetables, products from the strong German food industry dominate the market. More than one third comes from Germany, about 15% from Italy and 10% from Netherlands. The main processed import fruit items are tomato products, which come primarily from Italy. For nearly all other processed products, Germany is the main supplier.

Table 3: Imports of Processed Vegetables in 2000

Vegetable type	Volume in 1,000 MT	Value in million AS	Value in million U.S. $
Vegetables dried and cut	5	157.4	10.5
Vegetable flour/flakes	2	37.0	2.5
Potato flakes	1	16.2	1.1
Other	1	20.8	1.4
Vegetables frozen	17	225.8	1.7
Potatoes	13	126.4	8.5
Other	4	99.3	6.7
Other processed Vegetables	55	705.4	47.2
Vegetables with vinegar	15	183.3	12.3
Tomato/parts without vinegar	16	145.9	9.8
Corn	4	48.8	3.3
Other	20	327.4	21.9

U.S. Opportunities

Due to shorter transportation and customs advantages of European and Mediterranean countries, U.S. products face heavy competition in the Austrian market. Nevertheless, each year small quantities of vegetables are imported from the U.S. The main fresh/chilled items are onions, garlic, edible beets, asparagus and sweet corn and dried vegetables such as anions, mixed vegetables, beans and sweet potatoes. The combined value of these and some other fresh/chilled/dried vegetables was AS 8.7 million in 2000 (AS 4.6 million in 1999). In addition, a marginal volume of further processed vegetables, valued AS 300,000 (AS 8.8 million in 1999) was imported. It should be possible to increase these imports. In particular, fresh asparagus should find a good market before the domestic crop becomes available.

Austrian wholesalers frequently buy through big German traders who import larger volumes and pack in Germany. It is likely that imports from Germany include U.S. vegetables and thus actual imports from the U.S. are higher than indicated by foreign trade statistics.

U.S. fresh vegetable exporters should target Austrian fruit and vegetable importers/wholesalers, and supermarket chains. Processed vegetable Suppliers should target food importers and supermarket chains.

Health Standards

Maximum residue levels (MRLs) are regulated by the ordinances for pesticide MRLs. (ordinance # 228 published in the Federal Gazette of August 13, 1997, ordinance # 438 published in the Federal Gazette of November 26, 1999, and ordinance # 127 published in the Federal Gazette of March 20, 2001). The regulations include MRLs in various products, mainly fruits and vegetables. For products, made of vegetables (or fruits), the corresponding figures are permitted. Austrian MRLs of pesticides on vegetables/products are harmonized with EU regulations.

Import Regulations

Imports of fresh, dried, and canned vegetables coming from the U.S. do not require a phytosanitary certificate.

No import license is required for fresh/chilled vegetables except garlic. Among processed vegetables, mushroom and tomato products require an import license.

Information on import duty (EU duty) can be obtained from the U.S. mission to the European Union in Brussels, e mail address: brans@fas.usda.gov or website: www.usu.be/agri/usda.html

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COMPANY: ADEG Handels AG
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ADDRESS: Gaudenzdorfer Guertel 41-45
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COMPANY: BILLA Warenhandel AG
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COMPANY: Metro
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COMPANY: Pfeiffer Grosshandel
CONTACT: Prok. Gerhard Lassnig
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COMPANY: Spar Oesterr. Warenhandels AG
CONTACT: Mag. Gebhart Graf
POSITION: Director for Imports
ADDRESS: Europastrasse 3
A-5015 Salzburg

Austria
TEL: [+43] (662) 4470/23700
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Austrian Food Wholesalers, Importers, and Agents

COMPANY: VOG Einfuhr & Grosshandel
CONTACT: Mr. Otto Bruckner
POSITION: Vorstandsvorsitzender
ADDRESS: Baeckermuehlweg 44
A- 4020 Linz
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TEL: [+43] (7323) 738 0
FAX: [+43] (7323) 73 82 07

COMPANY: Wedl & Dick GesmbH
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COMPANY: Z-E-V Markant Zentrale Einkaufs-Vertriebs GesmbH
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Company: Erich Schenkel & Sohn
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Austrian Fruit Importers/Wholesalers

Ahorner - Atlanta Fruchtunion
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Obst Huber Fruchtimport Ges.m.b.H.
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